Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Board of County Commissioners

Tuesday, May 17, 2005
9:30 AM
Commission Chamber

111 NW First Street, Suite 250
Miami, Florida 33128
305-375-4354

Board of County Commissioners
May 17, 2005

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BCC ITEM 4(D)
May 17, 2005

LEGISLATIVE ANALYSIS

ORDINANCE AMENDING ORDINANCE NO. 93-91, AS AMENDED BY ORDINANCE NO. 96- 101, TO RESCIND TWO CENTS OF THE REMAINING THREE CENTS OF THE 1993 FIVE CENTS CAPITAL IMPROVEMENTS LOCAL OPTION GAS TAX; PROVIDING WAIVER OF SECTION 2-1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, RULE 5.06(F); DIRECTING CLERK OF THE BOARD TO MAIL CERTIFIED COPY HEREOF TO THE FLORIDA DEPARTMENT OF REVENUE IN TALLAHASSEE, FLORIDA; AND PROVIDING SEVERABILITY, INCLUSION IN CODE AND EFFECTIVE DATE

Commissioner Natacha Seijas

I. SUMMARY

This ordinance would roll-back the Local Option Gas Tax (LOGT) for Capital Improvements from 3 cents to 1 cent.

II. PRESENT SITUATION

Florid Statutes Sec. 336.025(1)(b) allows for counties to assess up to 5 cents in Local Option Gas Taxes for Capital Improvements associated with Transportation Expenditures.

Miami-Dade County originally levied the entire 5 cent LOGT.

However, in 1996 the Board of County Commissioners elected to rollback the LOGT to 3 cents.

In FY 2004-2005 the County collected approximately $26 million.

Through an Interlocal Agreement with municipalities, the County keeps 74% ($19.3 million for FY 2004-2005) of the money collected for this purpose. The additional 26% (or $6.7 million) is distributed to the municipalities via a weighted formula (75% population and 25% center-line road miles).

(SEE ATTACMENT 3): Estimated municipal distributions.

There are currently 6 different fuel taxes assessed in Miami-Dade County.

III. POLICY CHANGE AND IMPLICATION

Theoretically, this rollback would reduce the cost of gas, for consumers, by 2 cents per gallon.

A previous report, on March 21, 2000, by then County Manager stated the following:

We have advised the Board that retail fuel prices are driven by far more significant factors than local option gas tax levels and that it is our belief that any reduction in local option gas tax levels likely will not benefit gas consumers. There is no guarantee any savings will be passed on to the consumer. If the savings is not passed on, we will simply be fattening the pockets of fuel distributors and retailers. To help make that point, I have attached a table (Attachment 1) that was produced to show the effect of the County's most recent local option gas tax decisions on retail fuel prices.

This ordinance would reduce LOGT collections by 2 cents per gallon (or 66%).

Further, this would reduce the amount distributed to municipalities by 66%.

This LOGT is one of the revenue sources utilized by the Peoples' Transportation Plan (PTP).

The PTP Pro-forma would have to be adjusted accordingly to reflect the reduction in this revenue source.

This ordinance waives the six week requirement between first reading and public hearing.

This ordinance also waives the four week requirement for Public Notice to municipalities when a decision by the Board will have a financial impact on municipalities.

IV. ECONOMIC IMPACT

(SEE ATTACHMENT 1)

V. COMMENTS AND QUESTIONS

Attachment 2: AAA fuel averages.

Attachment 4: Other counties in Florida levying this LOGT.

ATTACHMENT 1

LOCAL OPTION GAS TAX

Miami-Dade County currently collects 3 cents, out of a possible 5 cents, (or approximately $26 million annually) from this Local Option Gas Tax (LOGT) for Capital Improvements.

Section 336.025 Florida Statutes allows the Board of County Commissioners to impose, or rollback, any increment up to 5 cents.
Any amount higher would require approval by the State Legislature

This possible .05 cent Gas Tax is divided by an Interlocal Agreement as follows:
74% County / 26% Divided by Cities

Current breakdown on 3 cent Local Option Gas Tax: **$26 million**
$19.3 million – County Share (74%)
$ 6.7 million - Cities Share (26%)

A reduction of 1 cent would mean a reduction in revenues of approximately **$8.7 million**
$6.4 million - County Share (74%)
$2.3 million - Cities Share (26%)

A reduction of 2 cents would mean a reduction in revenues of approximately **$17.4 million**
$12.8 million - County Share (74%)
$ 4.6 million - Cities Share (26%)

* There are 6 different Gas Taxes.

* The tax outlined in this memo is available for all County Transportation Capital Projects.

* Of the 74% County Share of this tax, at least 20% must be used on UMSA projects. However, the current split has been approximately 50/50 UMSA vs. County projects.

* There is no Sunset Provision on the Interlocal Agreement guiding this Local Option Gas tax.

** The reductions in revenues listed above <u>do not</u> take into account any "Price Elasticity" that may occur due to a reduction of gas prices.

Will people be more likely to purchase more fuel at 2 cents less per gallon ?

ATTACHMENT 2

AAA Fuel Price Report as of May 12, 2005

National Unleaded Average

	Regular	Mid	Premium	Diesel
Current Avg.	$2.175	$2.309	$2.394	$2.314
Yesterday Avg.	$2.178	$2.312	$2.396	$2.317
Month Ago Avg.	$2.266	$2.405	$2.493	$2.385
Year Ago Avg.	$1.930	$2.050	$2.123	$1.803

Metropolitan Miami

Miami	Regular	Mid	Premium	Diesel
Current	$2.274	$2.464	$2.509	$2.412
Yesterday	$2.273	$2.463	$2.508	$2.412
Month Ago	$2.341	$2.536	$2.583	$2.449
Year Ago	$1.941	$2.103	$2.142	$1.828

ATTACHMENT 3

Estimated Local Option Gas Tax Distribution to Municipalities

The Column on the right depicts the estimated amounts municipalities in Miami-Dade County would receive in 2005 at the current rate of 3 cents.

BOCC Miami-Dade	$	0.06	70.7000000	$ 44,435,306	$	0.03	74.0000000	$ 20,537,981
Aventura			0.4945500	310,827			0.4388500	121,799
Bal Harbour			0.0598000	37,585			0.0530700	14,729
Bay Harbor Islands			0.1125700	70,751			0.0998900	27,723
Biscayne Park			0.0994300	62,492			0.0882300	24,487
Coral Gables			1.3458500	845,874			1.1942700	331,458
Doral			0.5848000	367,550			0.5189400	144,027
El Portal			0.0739200	46,459			0.0656000	18,207
Florida City			0.2460900	154,669			0.2183700	60,606
Golden Beach			0.0441700	27,761			0.0391900	10,877
Hialeah			5.2974200	3,329,455			4.7007800	1,304,656
Hialeah Gardens			0.4346000	273,148			0.3856600	107,036
Homestead			0.8872900	557,666			0.7873600	218,524
Indian Creek			0.0059300	3,727			0.0052600	1,460
Key Biscayne			0.2394100	150,470			0.2124500	58,963
Medley			0.0854100	53,681			0.0757900	21,035
Miami			8.0628600	5,067,548			7.1547500	1,985,731
Miami Beach			1.9699200	1,238,105			1.7480500	485,154
Miami Gardens			2.4462600	1,537,487			2.1707500	602,471
Miami Lakes			0.6044800	379,919			0.5364000	148,873
Miami Shores			0.2822300	177,383			0.2504500	69,510
Miami Springs			0.4597600	288,961			0.4079800	113,231
North Bay			0.1335500	83,937			0.1185100	32,891
North Miami Beach			1.0126400	636,449			0.8985900	249,395
North Miami			1.3937200	875,960			1.2367500	343,248
Opa Locka			0.3600200	226,274			0.3194700	88,666
Palmetto Bay			0.7474600	469,782			0.6632700	184,084
Pinecrest			0.6012200	377,870			0.5335000	148,068
South Miami			0.3061100	192,392			0.2716300	75,388
Sunny Isles Beach			0.2932900	184,334			0.2602600	72,233
Surfside			0.1188800	74,717			0.1054900	29,278
Sweetwater			0.3027200	190,261			0.2686300	74,556
Virginia Gardens			0.0572800	36,001			0.0508200	14,105
West Miami			0.1363600	85,703			0.1209900	33,580
			100.0000000	$ 62,850,504			100.0000000	$ 27,754,029

LOCAL OPTION TAXES
(Continued)

COUNTY LOCAL OPTION MOTOR FUEL TAX

Florida Statutes: Section 336.025(1)(b), F.S.
Section 206.41(1)(e)

Administered by: Department of Revenue

DISPOSITION

The department returns the proceeds to the county where the revenue is collected and deposits funds into the local option fuel tax trust fund.

BASE AND RATE

Any county may levy one through five cents of tax upon a majority plus one vote of the county commission or by referendum. The tax is imposed on motor fuel sold at retail within a county in which the tax is authorized. Until June 30, 1996, retail motor fuel dealers collect and remit the tax to the Department of Revenue. Effective July 1, 1996, wholesalers remit the tax.

County and municipal governments must spend these funds on transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan.

COUNTIES LEVYING TAX (as of 1/2005)

Broward	5	Martin	5
Charlotte	5	Miami-Dade	3
Collier	5	Palm Beach	5
Columbia	5	Polk	5
Desoto	5	St. Lucie	5
Hendry	2	Sarasota	5
Hernando	2	Suwannee	5
Highlands	5	Volusia	5
Lee	5		

LEGISLATIVE ANALYSIS

ORDINANCE RELATING TO ZONING AND OTHER LAND DEVELOPMENT REGULATIONS; AMENDING SECTION 33-284.69(V), 33-284.70, 33-284.73, AND 33-284.76 OF THE CODE OF MIAMI-DADE COUNTY (NARANJA COMMUNITY URBAN CENTER DISTRICT)

Department of Planning and Zoning

I. SUMMARY

This Ordinance modifies Ordinance No. 04-217, Naranja Community Urban Center Zoning Districts, so that it is comparable to the current regulatory processes as implemented by the Department of Planning and Zoning.

II. PRESENT SITUATION

On December 2, 2004, the Board of County Commissioners approved Ordinance No. 04-217, creating the Naranja Community Urban Center Zoning District (NCUCD) regulations.

In order to implement the changes approved in Ordinance No. 04-217, the Director of the Department of Planning and Zoning has filed a district boundary change application to rezone all properties within the NCUCD. This item is scheduled before the Board on May 19, 2005.

III. POLICY CHANGE AND IMPLICATION

The proposed Ordinance implements the following changes:

- Section 33-284.69(V)
    - Section 33-284.69(V) would be deleted and handwritten page 5 of the County Manager's memo dated May 17, 2005 would be inserted. The original ordinance did not display the Natural Forest Community (designated open space no. 9 on the map).
- Section 33-284.70
    - The setbacks for RU-1 zoning districts would be applied to single family homes in the Edge Sub-District. The original ordinance created the possibility for non-conforming single family homes.
- Section 33-284.73
    - Eliminates the pre-submittal conference and expands the Administrative Site Plan and Architectural Review process to include the Miami-Dade County School Board along with the Public Works Department, the Department of Environmental Resources Management and the Fire Rescue Department.

- Section 33-284.76
    - Allows for additional grandfathering in of those non-conforming structures, uses and occupancies in the NCUCD area that was either existing at the time of the district boundary change to NCUCD or had a valid building permit.

IV. ECONOMIC IMPACT

None.

V. COMMENTS AND QUESTIONS

None.

BCC ITEM 4(N)
May 17, 2005

LEGISLATIVE ANALYSIS

ORDINANCE RELATING TO ELECTION CAMPAIGN FINANCING; REPEALING SECTION 2-11.1.3 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, RELATING TO LIMITATION ON CONTRIBUTIONS AND EXPENDITURES AND SECTION 12-5 PROHIBITING CONTRIBUTIONS OR EXPENDITURES BY NATIONAL OR STATE BANKS, CORPORATIONS OR UNINCORPORATED ASSOCIATIONS; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

Commissioner Sally A. Heyman

I. SUMMARY

- This ordinance repeals the $250 limit on contributions and expenditures for candidate campaigns for Miami-Dade Mayor, County Commission, Community Council and Fire Board.
- It repeals the prohibition on contributions and expenditures by banks, corporations, or unincorporated associations.
- It provides that Florida law will apply to contributions and expenditures for Miami-Dade campaigns.
- Florida law provides for a $500 limit on campaign contributions and expenditures, with no prohibition on contributions and expenditures by banks, corporations, or unincorporated associations.

II. PRESENT SITUATION

Section 2-11.1.3 of the Code defines contributions and expenditures in accordance with Florida law. It is unlawful to make a contribution or expenditure over $250, directly or indirectly, or through a PAC, to any candidate for Miami-Dade Mayor, County Commission, Community Council or Fire Board.

Section 2-5 prohibits contributions and expenditures by banks, corporations, or unincorporated associations for candidate campaigns for Miami-Dade Mayor, County Commission, Community Council and Fire and Rescue Services Board. This section clarifies the impact of the prohibition on banks and other corporate entities.

Penalties for violations of either section of the Code include a fine up to $5000 or imprisonment up to 364 days, or both.

Florida law provides for a $500 limit on campaign contributions and expenditures, with no prohibition on contributions and expenditures by banks, corporations, or unincorporated associations.

Under Florida law penalties for violations include a fine up to $1000 per count and imprisonment for up to one year.

III. POLICY CHANGE AND IMPLICATION

This ordinance repeals the $250 limit on contributions and expenditures for candidate campaigns for Miami-Dade Mayor, County Commission, Community Council and Fire Board, which was adopted in 2000. Florida law will instead apply, which provides for a $500 limit on campaign contributions and expenditures.

It repeals the prohibition on contributions and expenditures by banks, corporations, or unincorporated associations, which was adopted in 1998. Florida law will apply, which provides no prohibition on contributions and expenditures by banks, corporations, or unincorporated associations.

Penalties for violations will shift from fines up to $5000 to fines up to only $1000 per count, but the time of imprisonment will remain virtually the same – from up to 364 days to up to one year.

IV. ECONOMIC IMPACT

None.

V. COMMENTS AND QUESTIONS

The U.S. Supreme Court has ruled that the spending of money by contributors and candidates for political speech is entitled to some First Amendment protection. In *Buckley v. Valeo*, the court said:

> A restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of the exploration, and the size of the audience reached. This is because virtually every means of communicating ideas in today's mass society requires the expenditure of money.

Opponents of contribution limits claim that lowering the cap on contributions or prohibiting contributions from certain entities does not reduce the amount of money needed in a campaign, or reduce the corrupting influence of fundraising. The lower caps and prohibitions on certain entities make it more time-consuming to raise money from the same possible contributors.

Raising the cap on contributions and eliminating the prohibition on contributions from certain entities will make it easier for candidates to raise money. Incumbents traditionally have the advantage over challengers in campaign fundraising, and there is a concern that this proposal will further extend that advantage.

BCC ITEM 4(O)
May 17, 2005

LEGISLATIVE ANALYSIS

ORDINANCE REPEALING SECTION 2-11.17 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, SETTING FORTH RESIDENCY REQUIREMENTS FOR MIAMI-DADE COUNTY EMPLOYEES; PROVIDING SEVERABILITY, INCLUSION IN THE CODE AND AN EFFECTIVE DATE

Commissioner Sally A. Heyman, Commissioner Jose "Pepe" Diaz, Commissioner Natacha Seijas, and Commissioner Katy Sorenson

I. SUMMARY

This Ordinance repeals the residency requirement for County employees.

II. PRESENT SITUATION

Section 2-11.17 of the Code, relating to residency requirement for new employees, provides a 6-month deadline for new hires to establish residency in Miami-Dade County. New hires subject to a probationary period must do so within 3-months of completing their probation. This section does not apply to employees hired prior to the adoption of the ordinance in 1999.

The Employee Relations Department publishes the residency requirement in all employment advertisements. The covenant is signed by prospective employees and notarized during their processing. Most employees have a 12-month probationary period. Employees who do not establish residency before the deadline may be dismissed. ERD does not keep separate records of dismissals due to the resident requirement.

The County Manager is authorized to waive the residency requirement for humanitarian reasons, and must submit a list of granted waivers to the Commission on a quarterly basis. A Residency Waiver Committee reviews each application on a case-by-case basis, and then forwards their recommendations to the Manager. According to ERD, only 34 requests for waivers have been received: 22 approved, 7 denied, and 5 pending review.

The Building Department is authorized to hire plans examiners and building inspectors residing in Broward County without the residency requirement.

III. POLICY CHANGE AND IMPLICATION

This Ordinance repeals the residency requirement for County employees.

IV. ECONOMIC IMPACT

None.

V. COMMENTS AND QUESTIONS

None.

BCC ITEM 8(A)(1)(B)
May 17, 2005

LEGISLATIVE ANALYSIS

RESOLUTION APPROVING THE AIR SERVICE INCENTIVES PROGRAM (ASIP) FOR MIAMI INTERNATIONAL AIRPORT

Aviation Department

I. SUMMARY

This proposed resolution approves the Air Service Incentive Program (ASIP) for Miami International Airport (MIA). This program comes as a result of the collective efforts of the Aviation Department and aviation consulting firms. The department and the firms have studied how MIA may become a more competitive force. The program addresses opportunities for new growth and expansion for MIA's new and incumbent airlines.

II. PRESENT SITUATION

Miami International Airport (MIA)

- Ranking Among U.S. Airports
  - 1st in International Flights
  - 3rd in International Passengers
  - 12th in Total Passengers

  - 5th largest cargo airport in U.S.
  - 3rd largest cargo airport in U.S. excluding integrators
  - 1st in International Cargo

- There are more than 200 routes departing to 40 domestic destinations.
- There are approximately 75 international routes.

Opportunities for Miami International Airport (MIA)

- Although, we are doing very well in the international market we have been losing ground with domestic routes. Fort Lauderdale has been doing very well with their domestic flights by taking advantage of their nine (9) low cost carriers versus MIA's three (3) low cost carriers.

- As a result of the 911 incident, the airline industry has been forced to change dramatically. Many airports and airlines have been forced to make costly provisions to restructure to address new concerns and regulations affecting their industry.

- As a result of more stringent Federal Security Regulations, the expense of other FAA matters and the changing demographics and rate of traveling the industry has had to struggle through hard times.

- MIA has felt the burden of a drop in foreign travelers along with the erosion of profit margins for Airlines serving MIA markets.

- MIA has recently expressed that they will counter these harsh times with reducing operating costs, improving customer service, establishing their General Aviation Airports, controlling capital improvement debt, growing non-aeronautical revenues, along with securing more low cost carriers and international routes.

Incentive Programs

- Establishing programs that offer incentives to induce business is a current trend in the Airport/Airlines Industry. In addition to Fort Lauderdale, who has had their incentive program in place since 2001, other cities such as Dallas/Fort Worth, Pittsburg, Portland (Oregon), and San Jose (Calif.) have turned to incentive programs to lure more opportunities.

- In an attempt to lure more low cost carriers, MIA has now proposed the respective resolution proposing an incentive program.

- Various opportunities may be offered to participating airlines by airport incentive programs. The details and duration of such programs are addressed on a case by case basis pursuant to the respective concerns and goals.
  - Incentive programs may include:
    1. waiving landing fees;
    2. waiving ticket counter fees;
    3. waiving gate charges;
    4. waiving marketing fees;
    5. waiving airport security charges;
    6. exchanging credits instead of cash;
    7. encouraging certain destinations or markets;
    8. encouraging certain clientele, etc.
       - Example- Last year, Portland, Oregon's airport agreed to an incentive package to provide daily flights to Japan. The agreement waives landing fees, terminal rent, and marketing fees for a total of approximately $2.1 million. (April 15, 2004)

III. POLICY IMPLICATIONS

- The objective for MIA's Incentive Program will be:
  - stimulating domestic and international passenger air service;
  - increasing non-aeronautical revenues;
  - reducing costs per enplaned passenger;
  - offering affordable choices for potential travelers.

- The MIA Air Service Incentive Program (ASIP):
  - The Program will waive landing fees during a period of 12-months.
  - The program will be capped at $3 million.
  - The requirements for Domestic Passenger Air Service:

- Any air carrier would qualify for the incentive program by establishing scheduled, year-round passenger service to ***any*** U.S. or Canadian destination from MIA.

- The requirements for New International Air Service:
  - Any air carrier would qualify for the incentive program by establishing scheduled, year round, nonstop or direct passenger service to an international destination ***not*** currently served from the MIA ***by any carrier***.

IV. ECONOMIC IMPACT

- Although, the intent is to lure more low cost carriers and ultimately more business, MIA should be very cautious of how they attract new business.

- MIA has proposed ASIP under the theory that more businesses will show up due to breaks we are providing for new routes.
  - It's true that airlines should be able to provide lower ticket prices for their customers because they will not have to pay for landing fees.
  - However, the waiver of landing fees provided to airlines may not truly trickle down to the customers.
  - MIA can encourage airlines to lower their ticket prices but, they may not mandate nor enforce restrictions on pricing flights.
  - Some airlines will simply look at this as an opportunity to increase their profit margins for a year.
  - On the other hand, some airlines may take advantage of the program and make MIA a more competitive market.

- MIA should also be weary that encouraging new flights (domestically) will not bring new travelers but simply shift passengers to other airlines.
  - MIA should be careful they are not implementing a program that assists some airlines at the expense of hurting incumbent airlines.
  - If traveling does not pick up and passengers don't drastically increase in their use of MIA, we may find many passengers simply shifting carriers to take advantage of lower rates.
  - MIA run the risk of losing money due to incumbent routes discontinuing their operation or due to the lost landing fees they would originally acquire.

V. COMMENTS

- How do we insure that airlines do not take advantage of ASIP for a year then leave? Or use favorable conditions for them (within ASIP) against MIA as bargaining power after the 1-year has lapsed?

BCC ITEM 8(J)(1)(A)
May 17, 2005

LEGISLATIVE ANALYSIS

RESOLUTION AUTHORIZING EXECUTION OF THE FIRST SUPPLEMENTAL AGREEMENT TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) BETWEEN MIAMI-DADE COUNTY AND WASHINGTON GROUP INTERNATIONAL, F/K/A WASHINGTON INFRASTRUCTURE SERVICES, INC., IN THE AMOUNT OF $14,961,312.63 AND EXERCISING THE CONTRACT OPTION FOR PROVISION OF ENGINEERING SERVICES DURING PHASE 2 OF THE METRORAIL/METROMOVER MID-LIFE REHABILITATION PROJECT

Miami-Dade Transit Agency

I. SUMMARY

This resolution authorizes Supplement (No. 1) to the Professional Services Agreement (PSA) with Washington Group International (WGI) for oversight, consultation, and engineering services associated with the Metrorail "Mid-Life" Rehabilitation and Metromover replacement projects.

II. PRESENT SITUATION

This PSA was approved by the BCC in September of 2003.

The original PSA was for $2.1 million.

The BCC and CITT approved use of Surtax funds for this purpose in October of 2003.

III. POLICY CHANGE AND IMPLICATION

MDT believes that by utilizing PSAs for these types of services, the County can address their performance incrementally and utilize supplements to these agreements to further fund the project.

This amendment would fund through Phase II of the "Mid-life" project.

IV. ECONOMIC IMPACT

This Supplement increases the contract by $14.9 million. (100% - PTP)

V. COMMENTS AND QUESTIONS

In surveying the five (5) properties, in **Attachment 1**, the "total cost" of the Mid-Life Rehabilitation projects in each community was divided by the total number of cars rehabilitated.

This would give a rough estimate of the "Per / Car" cost for Mid-Life Rehabilitation.

The average "Per-Car" cost for the five (5) properties surveyed was approximately $ 1 million.

Using the same formula for Miami-Dade Transit:

Cost of 12 New Metromover Vehicles	$24 million*
Cost of Metrorail "Mid-Life Rehabilitation"	$211 million
Total Project Cost	**$235 million**

***According to R-1240-04 approved on October 19, 2004**

The cost, to the County, of just the "Mid-Life Rehabilitation" of the Metrorail Cars, $211 million, divided by the total number of cars 136, gives an average cost per car of $1.55 million.

Some factors, such as size of cars, AC vs. DC power, "In House" Engineering vs. Outside Consulting, etc..., prevent a direct "Apples to Apples" comparison.

However, the "rough estimate formula" utilized above shows that Miami-Dade County has a much higher (approximately 55%) cost per / car.

Attachment 1: Surveys of Transit Properties in Baltimore, Chicago, New York, Washington D.C., and San Francisco who have recently undertaken Rehab / Renovation Projects of a similar nature.

Attachment 1

Baltimore

Gary Lockett - Procurement Administrator (410) 767-3360

Baltimore is currently conducting a Mid-Life Overhaul.

How often?

This is the first time doing an overhaul since the cars were purchased 15 years ago.

At what cost?

Approximately $80 million by the time overhaul is complete, for approximately 100 vehicles.

Do they hire consultants to oversee rehab or do they deal directly with rehabbing Contractor?

They do hire consultants to oversee the contracts. They have separate contracts for vendors of mechanical work and aesthetic work.

If consultants are used, what is the cost per car formula?

Does not have that information.

What is the life expectancy of a railcar after rehab?

15 to 20 years.

What is the maintenance cost of a rehab car versus a new car?

Does not have that information.

What is the cost of a new rail car?

Does not have that information.

What is the maintenance cost of a rail car at quarter life, at half-life?

This is the first time doing an overhaul since the cars were purchased 15 years ago. However they do not break it down per car formula due to the varying repairs on each of the cars.

Have they experienced a passenger increase after a fleet rehab?

They believe the ridership is very high so they expect that it would remain the same or possibly increase.

Have they experienced a passenger increase after a new fleet was acquired?

N/A

<u>Chicago</u>

<u>Ralph Malec – Engineering Supervisor (847) 982-5090</u>

Chicago completed a Mid-Life Rehab project on 600 of their Elevated Train Cars 2 years ago.

How often?

Major overhaul occurs approximately every 20 years.

At what cost?

Chicago is budgeting for their next major overhaul of an additional 257 cars this upcoming year at approximately $240 million (or just under $1 million per car).

*** Chicago's director of engineering conceded that other than the fact that their individual cars are smaller, if they transitioned to A/C power propulsion, like MDT, that the price per car would be significantly higher. The size of their cars does not lend itself to an easy transition from DC to AC power.**

Do they hire consultants to oversee rehab or do they deal directly with rehabbing Contractor?

They did not hire a consultant for their last 600 car renovation. However they did hire Parsons Transportation Group to consult on their purchases of new cars.

If Chicago would have converted to AC power, the director stated they probably would have needed to bring in a consultant.

If consultants are used, what is the cost per car formula?

N/A

What is the life expectancy of a railcar after rehab?

20 years

What is the maintenance cost of a rehab car versus a new car?

Chicago Transit has realized savings in annual maintenance costs after the initial rehabilitation program. Their Engineering director estimates that the miles between incidents, has doubled since the rehab.

There was currently no frequency of incident data related to new cars to compare the costs.

What is the cost of a new rail car?

$1.5 million (Chicago's individual rail cars are smaller than those of Miami-Dade Transit)

What is the maintenance cost of a rail car at quarter life, at half-life?

CTA has an ongoing Preventative Maintenance Program. However they do not break it down a per car formula due to the varying ages of their cars.

Have they experienced a passenger increase after a fleet rehab?

No. They believe this is because there were no actual cosmetic changes to the cars.

Have they experienced a passenger increase after a new fleet was acquired?

N/A

New York

New York City Transit operates a revenue fleet of 5,791 cars.

How are rail cars rehabbed? How often? At what cost?

NYC Transit operates its own maintenance shops and critical support facilities.

Beginning with a 1982 MTA Capital Program, New York City began purchasing a substantial number of new rail cars and invested massively in restoring aging infrastructure.

The 1995-1999 Capital Program added 1,292 new subway cars to the fleet at a cost of $2.1 billion.

The 2000-2004 Capital Program added 1,130 new subway cars. These cars replaced 927 cars and expanded the fleet by 203 cars. Cost: $1.993 Billion.

Do they hire consultants to oversee rehab or do they deal directly with rehabbing contractor?

Information regarding consultants is not available. However, NYC Transit operates its own maintenance shops and critical support facilities.

Like Washington, D.C., New York City Transit focuses on a "partnering approach" with contractors working on major projects. This ensures "that project objectives are met…reduces cost, and improves quality," according to an MTA report on the 2000-2004 Capital Program.

If consultants are used, what is the cost per car formula?

N/A

What is the life expectancy of a railcar after rehab?

20 years. New cars have a life expectancy of 40 years.

What is the cost of a new rail car?

The industry standard is more than $2 million per car.

Have they experienced a passenger increase after a fleet rehab?

NYC Transit has experienced a steady up-tick in riders since its first Capital Program in 1982. This is due to a massive rehab of the entire transit system, including upgrades to subway cars, stations, buses, infrastructure, and the addition of automated fare collection systems.

Have they experienced a passenger increase after a new fleet was acquired?

Ridership has increased with the introduction of new rolling stock. It should be noted that the addition of new rolling stock is always accompanied by improvements to the entire transit system.

San Francisco

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How are rail cars rehabbed?

San Francisco entered into their first "Mid-Life" of Heavy Rehabilitation of 439 BART Railcars in 1994. The project was 100% completed in 2004.

The majority of cars were stripped down to the frame and rebuilt in "Better than New" condition. The cars were upgraded to A/C current drives.

How often?

Mid-Life Rehabilitation is scheduled for cars at the average 20 year service point.

At what cost?

The total cost of the Mid-Life project was $480 million. This includes Consultants, BART administrative costs, materials, procurement, sub-contracts, etc...

The total cost of the project, divided by the number of cars, works out to approximately $1.1 million per car. ($480 million by 439 Railcars = $1.1 million)

Do they hire consultants to oversee rehab or do they deal directly with rehabbing Contractor?

Yes. San Francisco utilized multiple consultants for this project.

Booz / Allen / Hamilton acted as the prime consultant and oversaw the project from Designing Specifications through Re-introduction to Revenue Service.

The total amount paid to all consultants over the 10 year project was approximately $24 million. (5% of total project cost)

$15 million was paid to Booz/Allen/Hamilton

If consultants are used, what is the cost per car formula?

The formula for the entire project broke down as follows:

- **88% - Construction & Procurement (Hard Cost)**
- **5% - Consultants (Hard Cost)**
- **7% - All other In-house administrative costs (Soft Cost)**

What is the life expectancy of a railcar after rehab?

20 Years

What is the maintenance cost of a rehab car versus a new car?

Not available.

However, BART realized a 100% increase in the time between incidents after cars had been rehabbed.

What is the cost of a new rail car?

$3 million

What is the maintenance cost of a rail car at quarter life, at half-life?

BART has an annual "Routine Maintenance" program. The administration estimates that the maintenance costs of the cars prior to Mid-life Rehab are double that of cars that have been rehabbed.

Have they experienced a passenger increase after a fleet rehab?

BART realized a slight increase in ridership, but it could not be quantified what amount was directly related to Train Renovations.

However, passenger satisfaction surveys did reflect a more positive experience from riders at it related to reliability and aesthetics.

Have they experienced a passenger increase after a new fleet was acquired?

N/A

Washington, D.C.

Fred Brink, WMATA Manager for 2000-3000 Series Rebuild Project
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The Washington Metropolitan Area Transit Authority (WMATA) is undergoing the first "heavy overhaul" of its 364-car fleet. The project began in Dec. 1999 and should be completed in Dec. 2005. This is a $400+ Million project.

How are rail cars rehabbed?

The current heavy overhaul includes rebuilding the trains, including interior, windows, floor boards, brakes, engines, switching from a D.C. to an A.C. system, etc.

The rail cars are being rebuilt by Alston Transport, a train car builder located in Hornell, N.Y.

How often?

Prior to this heavy overhaul, the trains were maintained and routinely serviced as needed. This is the first heavy overhaul.

At what cost?

Heavy Overhaul program (including consultants): $400 Million.

Do they hire consultants to oversee rehab or do they deal directly with rehabbing contractor?

WMATA has hired consultants Booz/Allen/Hamilton. WMATA also deals directly with the rehabbing contractor, Alston Transport. In the contracts with Booz/Allen/Hamilton and with Alston Transport, the WMATA included a partnering clause which mandates that they meet regularly with WMATA to ensure the success of the project. Various engineers from Booz/Allen/Hamilton meet with WMATA officials every two weeks. Alston, Booz/Allen/Hamilton and the WMATA top officials meet every 90 days for status reports. WMATA officials also do occasional site visits to the Alston plant to monitor the actual overhaul of the trains. "This way everyone wants the project to succeed on time and within the scope of the contract. Partnering is very beneficial," according to Fred Brink, WMATA rebuild manager.

If consultants are used, what is the cost per car formula?

$328 million is the base cost to rebuild WMATA's entire fleet of 364 cars.

The average is less than $1 million per car.

1/3 of the contract goes to Booz/Allen/Hamilton for their engineering, consulting services.

What is the life expectancy of a railcar after rehab?

20 years (with a heavy overhaul).

What is the maintenance cost of a rehab car versus a new car?

The costs are generally the same. The rebuilt cars are being totally upgraded (switching from D.C. to A.C.), as such WMATA expects that maintaining the rebuilt cars is comparable to maintaining new cars.

According to Fred Brink, the WMATA rebuild manager, it is more beneficial to do a heavy overhaul of your system if the transit cars have "a good shell."

Miami-Dade County's fleet has a "stainless steel shell and a pioneer truck" which makes an overhaul more attractive than scrapping the fleet for new cars, said Brink, who once worked for the manufacturer of the Miami-Dade fleet.

What is the cost of a new rail car?

$2.7 million for a new car with latest equipment. On the other hand, WMATA estimates it costs $949,000 max per car for a heavy overhaul.

Have they experienced a passenger increase after a fleet rehab?

Yes. Previous rider increases occurred after interior overhauls of some trains. Interior overhauls generally excite customers. WMATA ridership is currently at a high of 800,000 per week.

Overhauls of the brake system and other internal functions of the train also contribute to ridership. When citizens notice that the trains break down less often and the trains are on schedule, this increases reliability and attracts new riders.

Have they experienced a passenger increase after a new fleet was acquired?

N/A